

A Response from the Education Division of Oxford University Press to the public consultation regarding the BBC's proposal for a Digital Curriculum service

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The Education Division of Oxford University Press is one of the largest Educational Publishers in the UK. We publish in both print and electronic formats – including Online products.

We believe that this proposal should be rejected as it stands. The proposal requires **fundamental amendment** if it is not significantly to diminish the long-term choice of learning resources available to our schools, to threaten to undermine the development of a potentially world-leading industry at a vital stage in its evolution, and to miss a wonderful opportunity to build a comprehensive electronic learning environment which meets the needs of schools, learners at home, and lifelong learners.

However, given adequate demand side funding in the form of ring-fenced electronic learning credits coupled with due constraint on the BBC in certain critical areas, and a recasting of the scope and coverage of the BBC's investment, we believe that a positive, balanced public service contribution from the BBC to Curriculum Online and lifelong learning remains possible.

We urge you to establish a process whereby such constraints and refocusing of resources can be negotiated in order to achieve a satisfactory resolution for all parties.

The BBC and Curriculum Online

The BBC Digital Curriculum service as proposed cannot be considered in isolation from the Curriculum Online (COL) service currently being designed by DfES for launch in September. In the longer term, COL depends crucially on the commercial industry investing to develop a wide range of digital learning resources according to COL criteria, an investment that will deliver the rich diversity of learning resources which teachers want and expect.

Unless two factors are in place however the future of COL, the development of a potentially world-class industry, and indeed the whole electronic learning environment in our schools is threatened. The first of these is that adequate eLC funding is available to counterbalance the BBC entry to the market, and the second is that the BBC is constrained to play a complementary role rather than adopting a directly competitive position to the other players wanting to contribute to COL.

The effective use of ICT in schools

Clearly, the BBC has the potential to become a major player in the emerging market for electronic learning resources, in schools, colleges and at home. However, we do not see their current proposition as distinctive *within education* in terms of the content or the methodology which they propose to deliver; indeed their proposal is lacking any useful detail in either of these respects (Frame of Reference, #3.2). The proposal can only be considered distinctive in terms of the *scale* of expenditure, which will be untested by market conditions, and the fact that it will be available *free of charge*. The other benefits they highlight (Annex 1, sections 2.1 to 3.3) are generic relating to the effective use of ICT in schools and could be applied with equal validity to the offering of commercial industry.

We believe strongly that the BBC should be constrained in **six critical areas**.

1. Scale

The £150m which the BBC proposes to spend over five years would be equivalent to the “fixed” or “R&D” expenditure that a commercial provider would have to invest in content, plus the overhead required to acquire the technological capacity to deliver that content to schools. The other costs associated with a commercial operation – cost of sales, marketing, distribution, back office overheads, customer service, and profit for reinvestment – are not part of the equation, so to sustain diversity in the face of such extensive free-of-charge competition the potential market for commercial product would have to be significantly larger than at present.

An independent market impact report (from SRU) argues that the free BBC material will displace commercial product with a market value in the region of £400m. The existing market is thought to be worth £85m per year, so it is clear that if the BBC engages this scale of expenditure in delivering effective

product free-to-air into core commercial markets, then they will quickly dominate.

However, if the BBC were to maximise its expenditure in areas that **complemented** the provision of the commercial sector, then this would enhance the benefit of using ICT in schools, would justify their own role as a public service provider, would stimulate the demand for digital learning resources right across the curriculum, and would encourage commercial investment in supporting teachers to deliver the national curriculum. There is ample scope for the BBC to target more of its proposition at minority and specialist areas where economies of scale will preclude significant commercial investment. The BBC is uniquely placed to service the needs of pupils working at home, and also lifelong learners outside formal education. We had also expected that the BBC would want to contribute more resources for the 16-19 age range, for vocational subjects and for lifelong learning, as envisaged in their original consultation in September 2000 (Annex 2). This breadth of coverage is not reflected in their current proposition.

2. Coverage

The BBC proposes to restrict its coverage to a maximum of 50% of the learning outcomes for any subject and Key Stage (Frame of Reference, #3.3). A reality check on the ratio of ICT resources to pupils in schools and on the extent to which teachers will employ ICT resources to deliver the learning experience in the classroom will quickly reveal that 50% coverage will potentially deliver all that will be required in any one subject several times over. The BBC do not specify which learning outcomes they propose to cover in any one subject, so it is impossible for a commercial provider to plan their own coverage secure in the knowledge that the BBC's free material will not undermine their investment.

We urge most strongly that this level of coverage in the core and non-core NC subjects is not permitted in order to leave scope for a range of other providers.

3. Promotion

Broadcast promotion of the BBC service (considered at commercial rates) would considerably enhance the scale of their investment when compared to a commercial provider and adds to the scale of the commercial market required to ensure diversity and choice. We also believe that the BBC should

be required to use the COL URL in its trailers rather than the BBC's own DC.

4. Commercial exploitation, and the role of BBC Worldwide

Worldwide is the partner of choice for exploitation of material generated using the licence fee. The BBC's submission proposes to restrict access to DC material by commercial providers (Frame of Reference, #6.3). This will ensure beneficial terms for Worldwide engagement which are not available to commercial industry, in relation to use of a brand developed through licence fee expenditure and access to licence-fee funded material for incorporation into added value products. We cannot see how this can be thought to align with a fair trading commitment. We consider the restriction specified in the submission to be unfair and far from the spirit of public service broadcasting. Resources developed using the licence fee should be fully available to commercial providers on equal terms with Worldwide. This cannot but help to stimulate further an already vibrant marketplace, without diminishing the BBC's public service contribution.

We are concerned that there is little in the proposition which will restrict Worldwide from building on the licence-fee funded initiative in order to enter the commercial market for learning resources intended to deliver the national curriculum in the classroom. This is already a vibrant and diverse market which has never failed to deliver what schools require. If Worldwide is ever to become a player in this market, it should be on equal terms with the commercial industry.

We propose to you that the activities of Worldwide associated with the Digital Curriculum should be clearly specified as follows:

1. The BBC should make an undertaking that Worldwide shall not produce any print-based student material associated with the Digital Curriculum beyond technical manuals for the teacher or materials to enable the home learner to make use of the Digital Curriculum. The DC is an electronic concept, and should remain so.
2. There should be no special relationship between the publicly funded DC and further exploitation by Worldwide, beyond the technical manuals. If a modified service is approved, the BBC should encourage the wider value-added use of their DC material by allowing free licensed access to commercial providers without a cap and at marginal

cost. Any BBC-derived proposal for further exploitation of DC material should be subject to a clearly defined tender process based on transparent and regulated decision criteria. This would enable a wide range of publishers to support the use of digital learning materials and to deliver maximum educational pay-back.

3. Materials associated with the DC should cover only those elements of the curriculum covered by the DC itself, and should not become a vehicle for a comprehensive offering by filling in the gaps.
4. Where Worldwide produce independent material using digital content which does not draw on DC material there should be no use of DC logos nor any implied linkage.
5. There should be a process to monitor the activity of Worldwide according to these criteria, and to remedy any cases of transgression.

5. The BBC's Virtual Learning Environment, and its role in the distribution of electronic learning materials to schools

The initial VLE which the BBC proposes to develop in order to deliver its DC will be available free to schools. It is vital for the benefit of the long-term market that this VLE does not become the de facto standard VLE which schools will use merely because it is free. The DfES is working on an open standard for VLEs in schools and the BBC should be required fully to comply with that standard and thus to stimulate interoperability of all digital learning resources in schools.

6. Accountability

We realise that regulation of the BBC is an issue which lies beyond the scope of this consultation. The greatest potential threat in the BBC's DC proposition lies at the detailed level, in terms of coverage within each subject. The regulation procedures which exist or are proposed for the BBC are entirely inadequate in this respect, and we would urge you to require the BBC to introduce a procedure which would render it more accountable at this level.

We understand that the DfES proposes to establish a Content Advisory Board to advise the Secretary of State on the effective development of COL.

We believe that the BBC should work positively with the CAB to ensure that its free provision complements the commercial provision, and that the regulation process should take account of their performance in this respect. The BBC should publish performance data against its key undertakings on a quarterly basis, and a procedure should be established to resolve disputes.

Funding the commercial market

As alluded to earlier, two further issues should be taken into account in considering the BBC's current proposition.

Commissioning of BBC material

The BBC proposes to spend 50% of its content funds with outside suppliers on a fee basis with ownership of IPR depending on the input negotiated with the supplier. This will amount to around £9m per year (50% of 60% of £150m to be spent on content over five years). **It must be realised that this is not only insufficient to stimulate the development of the commercial industry on a significant scale, but will not ameliorate industry anxieties on the other key issues.** These contracts will still produce free-to-air material in the ownership and control of the BBC. As potential significant commercial providers of digital learning resources, we are publishers wanting to invest at our own risk, not contractors working on a fee basis. This thinking is an extension of the practices of the television industry, where independent producers expect commissions on a fee basis. True publishers will not respond to this kind of model. They need a secure open market to stimulate investment at their own risk, a market which has not been undermined by free material, and which has sufficient funds to purchase commercial alternatives.

Demand-side funding

A mixed economy solution is achievable. There is potentially a complementary role for the BBC within a balanced solution to market development. An essential component of such a solution however is secure demand side funding, and DfES is to launch such funding as eLCs for schools in England from September. It must be realised however that at the time of writing such funding is for one year only and no plans have been declared for future years. No parallel mechanism exists for Scotland, Wales or Northern Ireland, and there is no proposal to address the competition issue in the independent sector. We can only see the BBC proposition as a direct threat to existing expenditure on paid-for resources until such time as

adequate secure long term demand-side funding has been publicly confirmed.

This forward commitment is essential. We are looking at long pay-back periods for innovative electronic products and need a four to five year funding horizon in order to make the necessary investments. It is encouraging that the BBC lends its support to such funding, but we would urge you to support the extension of the existing scheme for the long-term benefit of a vibrant open market.

In conclusion

We urge you strongly to impose on the BBC a set of constraints in line with the issues and principles above as a requirement of any new service approval and to make that approval dependant on the confirmation of adequate demand side funding in the form of eLCs to provide a balanced stimulus to the market.